MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

October 2005

Maryland Trauma Physician Services Fund

The Children's National Medical Center (CNMC) submitted its standby cost application covering the trauma center's expenses for FY2005. CNMC reported over $1 million in standby costs and received the full $275,000 in grand from the Trauma Physician Services Fund (Fund). CNMC is located in Washington, D.C. and is eligible for standby payment because it is part of MIEMSS. It treats approximately 800 Maryland patients at the trauma center each year.

Clifton-Gunderson, LLP, completed the review of seven trauma centers that submitted on-call applications for the period of July 1, 2004 through December 31, 2004. Only minor adjustments were identified for three trauma centers during the review process. Clifton-Gunderson, LLP issued a discrepancy letter to these centers requesting a response to their findings. Trauma centers are allowed fifteen days to respond to a discrepancy letter. Adjustments agreed upon by trauma centers will be processed by MHCC during the next reporting cycle.

Over the next sixty days, staff will conduct three regional Trauma Fund education and awareness sessions. These sessions are aimed at educating newly identified trauma practices on the uncompensated care application process and improving the quality of information reported in uncompensated care applications for current submitters. Meetings are scheduled to occur in Hagerstown, Salisbury, and Baltimore.

Data Base and Application Development

Access to MHCC's website

The Commission's website had 12,373 visits during September, a figure that was down slightly from August. Visits to the non-consumer sites account for about 65 percent of the total traffic. These sites include the Internet-based survey sites and various sites pertaining to CON processes, EDI and technology initiatives, and health care expenditure studies. About 34 percent of the visits (4,100) were to the consumer quality and utilization sites for HMOs, hospitals, nursing homes, and ambulatory surgery centers. Utilization at the consumer sites has been stable or trended downward since May. The month-to-month trend in use of consumer sites is shown in Figure 1 (total= visits to HMO, assisting living, nursing home, and ambulatory surgery sites). The hospital site saw about 2,700 visits, which were up from August. The nursing home, assisted living, and HMO sites all had lower utilization compared to earlier months. MHCC will update the sites with more current information beginning with the HMO site in October. Interest in the information provided at the HMO site will increase as many consumers consider switching plans during their open enrollment periods, which commonly occur in October and November. Staff is also working with CMS to develop a more seamless process for updating the nursing home web site.

Completion of the Long-term Care Survey

The deadline for completing the Long-term Care Survey was September 25th. Figure 2 presents the overall progress of the survey to date. Although many facilities were slow to respond initially, all but five facilities completed the survey by October 1st. The five facilities that have

not completed the survey are small assisted living facilities. Four have fewer than fifteen beds and several experienced ownership changes in 2005. Staff expects to obtain survey or partial survey results from these five facilities by the October Commission meeting.

Figure 2
2004 LONG TERM CARE SURVEY TRACKING
10/11/2005

Start Date	7/27/2005
Days Left	-16
Ending Date	9/25/2005

Tracking	All	Comp	Assisted	Comp/Assist	Adult	Extended	Subacute	Chronic
Survey Not Started	5 1 %	0 0 %	5 2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Survey in Progress	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Completed and Under Review	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Rejected and Being Corrected	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Corrected and Under Review	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Completed and Accepted	683 99 %	218 100 %	325 98 %	10 100 %	110 100 %	1 100 %	13 100 %	7 100 %
Total Surveyed	689	218	330	10	110	1	13	7
Exempted	7	0	5	0	1	1	0	0
Total LTC Facilities	**696**	**218**	**335**	**10**	**111**	**2**	**13**	**7**

Medical Care Data Base
Staff is in the early stages of compliance planning activities for the 2006 data collection cycle. The MHCC will add three new data elements as a result of new policy interests for the 2005 submission. The first two are patient specific data elements (start and end of enrollment) that will allow staff to narrow analyses to individuals that were continuously enrolled throughout the year. A third field is an employer identifier that will enable staff to examine utilization patterns by employer characteristics. Payers are required to submit encounter level data in compliance with COMAR 10.25.06, Maryland Medical Care Data Base and Data Collection by June 30th.

Cost and Quality Analysis

Study on the Use of Mail Order Pharmacies
Background
SB 885, Maintenance Drug Study, requires the MHCC and the Maryland Insurance Administration (MIA), in consultation with the Maryland Board of Pharmacy (BOP), to study the utilization impact, cost savings, financial impact on retail pharmacies, and convenience of mail order services for purchasing

Analysis Planning
The staff will analyze increased use of mail order services on patients and retail pharmacies. The Medical Care Data Base Prescription Drug Component will be used to characterize current use of

retail and mail order pharmacies by the privately insured population. This data base will be used to model changes in maintenance drug purchases assuming insurers are allowed to incentivize mail order for maintenance drugs (e.g., consumer pays two co-payments for a three-month supply for mail order instead of the standard three co-payments through a retail pharmacy). Various consumers and carrier behavior responses will be simulated that take into account patients' willingness to 'take-up' the incentive and carrier's current mail-order share in the self-insured market, which may serve as a proxy for a carrier's willingness to promote mail-order. Output from these simulations will be used to estimate the potential impact on retail pharmacies. A report to the Legislature is due in January.

Study on Uncompensated and Under-compensated Care Incurred by Hospital Based Physicians
HB 627, Community Health Care Access and Safety Net Act of 2005, requires the MHCC and the Health Services Cost Review Commission (HSCRC) to conduct a study of uncompensated and under-compensated care for physicians that provide at least twenty-five percent of their services in a hospital-based setting. These physicians are thought to provide higher levels of uncompensated care because they have limited ability to control the amount of low or no reimbursement compared to physicians in an office-based setting. The statute also requires the two commissions to recommend options for financing uncompensated care. The key research questions to be addressed by the study include the following:

- What percent of time do doctors spend on charity care, i.e., free and under-compensated care, by specialty?
- What specialists would be eligible for the charity/under-compensated care fund?
- What is the value, i.e., measured in terms of revenue, of charity/ under-compensated care?
- What options might be used to distribute dollars from the charity/ under-compensated care fund?

MHCC and HSCRC are working with National Opinion Research Center (NORC) analysts and Dr. Chris Hogan of Direct Research on this study. A report is due to the Legislature in January.

EDI Programs and Payer Compliance

EDI Initiatives
Last month staff completed its data verification and analysis for the 2005 EDI Progress Report. Staff is in the early stages of compiling the *2005 EDI/HIPAA Review*. This year staff is redesigning the appearance of the guide. The *2005 EDI/HIPAA Review* is expected to be released in November, as required by COMAR 10.25.09. Requirements for Payers to Designate Electronic Health Networks.

Staff is in the early stages of developing programs aimed at increasing provider awareness of the non-claim HIPAA administrative transactions. Most practices report familiarity with electronic claims, but admit to limited knowledge of other administrative transactions, such as eligibility inquires, claim status, and electronic referrals. Staff plans to work through the EDI/HIPAA Workgroup next month to develop resource tools for bolstering awareness of all available transaction standards.

Last month, staff heard a number of concerns from provider groups relating to implementing HIPAA's National Provider Identifier (NPI). All health care professionals are required to obtain an NPI and payers are required to replace existing provider identifiers with the NPI by May 23, 2007. Professionals that do have an NPI by that date will risk not being reimbursed by carriers.

A number of issues have surfaced regarding the NPI and carriers' migration strategies. Staff plans to work with the EDI/HIPAA Workgroup to develop a program aimed at identifying and resolving implementation barriers for practices. Staff will work with carriers to ensure that practices have time to respond to carriers' implementation strategies.

MHCC's HIPAA education and awareness initiatives continued throughout September. MHCC is considered as an established source for HIPAA related information. MHCC staff provide HIPAA related assistance to payers, providers, and health care facilities. Over the last month, staff received approximately ten inquiries from providers requesting support information on HIPAA. Presentations occurred at St. Joseph's Hospital, the Maryland State Dental Association, and Johns Hopkins Hospital.

EHN Certification

Last month staff provided consultative support to four electronic health networks (EHNs) to obtain MHCC EHN candidacy status: Dentrix, a dental EHN, ClaimsNet, IDX, and Healthcare Administration Technologies (HAT). Staff also is providing support to these EHNs, with the exception of HAT, to obtain national accreditation from the Electronic Healthcare Network Accreditation Commission (EHNAC). HAT is already EHNAC accredited. MHCC currently has eight networks in candidacy status and eighteen certified networks. Each month, staff receives inquiries from EHNs interested in exploring the Maryland market.

During the month, staff reviewed input from stakeholders on its proposed modifications to COMAR 10.25.07. Electronic Health Network Certification. Staff is working with industry advisors to align the regulations with activities in the market place. Staff is on target for completing its recommendations in late fall.

E-Scripting Initiative

EHNAC pushed the launch date of the new accreditation program back to October 3rr due to a number of minor implementations issues identified during the beta test of the criteria. Staff provided consultative support to SureScripts and RxHub on the e-script accreditation program. These two networks expect to complete an application for accreditation in the fourth quarter of this year.

Technology Initiatives

Last month, staff worked with the DHMH's Office of Executive Nomination to compile a list of potential nominees that could serve on the *Task Force to Study Electronic Health Records* (SB 251). The task force is required to study electronic health records and the current and potential expansion of electronic health record utilization in the state. Staff also expects the task force to function broadly in an advisory role in the development of a Maryland Regional Health Information Organization (RHIO). The task force will be composed of twenty-six participants with nine nominations by specific organizations. Candidates for the nominations were sent to the Governor's Office in early October.

PERFORMANCE AND BENEFITS

Benefits and Analysis

Small Group Market
Comprehensive Standard Health Benefit Plan (CSHBP)
The Commission is holding a series of town meetings throughout Maryland to hear testimony on both the short term and the long term options for small group reform. Meetings were held in Cambridge on October 5th and in Hagerstown on October 12th. Additional meetings will be held this month in Rockville, Baltimore, and in the Solomons. At the November meeting, the Commission will vote on any proposed regulatory changes to the CSHBP. If changes are made to the Plan, the regulatory process will commence by the end of the year so that any changes to the CSHBP can be implemented effective July 1, 2006.

Limited Benefit Plan (LBP)
In September, the Commission approved for Final Action Technical Corrections to the Limited Benefit Plan (COMAR 31.11.12).

Facility Quality and Performance

Web Site Guides
Hospital Performance
Currently, this site is being revised and maintained by an outside contractor (Delmarva Foundation) working in concert with and direction from Facility Quality and Performance staff. Meetings were held with the contractor in September to confirm progress on the revisions that had been recommended by the Hospital Steering Committee and MHCC staff. While significant progress has been made in revising the public web site Guide, additional work by the contractor is required and continues. Revisions and enhancements are scheduled to be completed by November. Staff also collaborated with DF representatives regarding strategies for the marketing and promotion of the new web site; a key recommendation contained in a report previously submitted by the Lewin Group. A plan (developed by the contractor) of action was reviewed and revised by FQ&P staff for implementation.

A second site, currently accessible only to hospitals, has been activated as part of Maryland hospitals' efforts to improve hospital acquired infection rates. During its pilot stage, access to this information is currently limited to the submitting hospital, the contractor, and MHCC. While collection and reporting of this data is mandatory, hospitals are also encouraged to submit infection data for hysterectomies, coronary artery bypass grafts, and other cardiac surgeries voluntarily. This information will be evaluated by the Steering Committee and staff and is anticipated to be available for public review in 2006.

Nursing Home Performance
In September, patient satisfaction surveys (approximately 20,000) were mailed to designated family representatives of Maryland nursing home residents. An additional 12,000 surveys are scheduled to be mailed in October. With the cooperation of Maryland's nursing homes, key resident information was submitted to MHCC's contractor (Market Decisions) in August of 2005. Composite data of the results of this pilot survey are scheduled to be available in a report from the contractor in February 2006. As a consequence of the survey, staff began responding to questions, concerns, requests, and complaints concerning respondent experiences with both the survey and the facilities. Staff will

collaborate with the Office of Health Care Quality, as appropriate, to insure that resident care and safety issues receive timely responses.

Maryland Patient Safety Center/AHRQ Action Grant
As a member of the Patient Safety collaborative and in support of the Maryland Patient Safety Center, MHCC participated in the development and submission of an ACTION (Accelerating Change and Transformation in Organizations and Networks) proposal to the Agency for Healthcare Research and Quality (AHRQ). This proposal was submitted by the Delmarva Foundation on behalf of the Coalition in September. Acceptance of this application by AHRQ will position the multi-organizational collaborative (Maryland Action Coalition) to be considered for grant funding for the implementation of patient safety initiatives in the future.

Hospital Infections Control/Prevention
In addition to the activities noted earlier (see Web Site Guides; Hospital-private site) MHCC is also collaborating with the Maryland Patient Safety Center to reduce and eliminate both blood stream infection rates and ventilator associated pneumonia for ICU patients. This information is projected to be collected, reported by hospitals during late 2005/early 2006, and available for public review in late 2006.

HMO Quality and Performance

2005 Press Conference
This year's press conference to release two reports comprising the 2005 HMO performance series was held October 6th at Kaiser Permanente's White Marsh Medical Center. The site was selected to recognize top performance by a health plan that consistently delivers high quality care to its membership. Representatives from BlueChoice, CIGNA, Coventry, Kaiser, both MAMSI plans, and Magellan Behavioral Health Care joined the approximately fifty guests.

Stephen Salamon, the Commission's Chairman, delivered the primary presentation on the outcome of 2005 performance measurement of Maryland HMOs. Generally, this year's results show improvement in many areas. In particular, rates of preventive care continue to improve. Incorporating preventive services into practice served as the theme for the 2005 *Consumer Guide* and the subject matter presented by guest speakers Philip Carney, Jr., M.D. and Marilyn Kawamura. Dr. Carney, President and Medical Director of the Mid-Atlantic Permanente Medical Group, gave attendees a glimpse at how Kaiser Permanente works with adult and teen members to combat obesity. His remarks on the program's successes and challenges were followed by an enlightening presentation by Ms. Kawamura, President of Kaiser Foundation Health Plan of the Mid-Atlantic States. She focused on Kaiser Permanente's development of information technology and described how access to medical information among practitioners will, and has already, improved. Eventually the access to information will achieve a broader reach by extending members' access to their personal health records.

Special guest speakers included Renee Cohen on behalf of U.S. Congressman Benjamin Cardin, and Senator Katherine Klausmeier, District 8, Baltimore County. Both stressed the importance of the MHCC report cards to patient choice. The Commission's Executive Director, Rex Cowdry, M.D., discussed improvements in Maryland's health system—patient safety, efficiency, and improved quality—through health information technology.

The public release of the *Consumer Guide* received comprehensive press coverage that extended to audiences throughout Maryland. To date, nine articles have been written. In addition to the *Baltimore Sun, The Washington Times,* and *Baltimore Business Journal*, *Capitol News* put the

information on the Associated Press's news network, giving the story wider coverage. Some independent outlets ran the same article written for broadly circulated newspapers. For example, the *Camden Chronicle Independent, Newspapers of Fayette County*, and the *Taunton Gazette* all ran the article from *The Washington Times.* CTV 76 News (a public access channel that provides local programming and news coverage to residents of Prince George's County) featured a report on the *Consumer Guide* during its evening broadcast. CBS affiliate WJZ 13 in Baltimore, as well as radio stations WTOP (Washington) and WBAL (Baltimore) each covered the story.

Distribution of 2004 HMO Publications—Final Totals

Cumulative distribution: Publications released 9/27/04	**9/27/04—10/6/05**	
	Paper	**Electronic Web**
Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (22,000 printed) + (reprint 2,100)= 24,100 copies	23,927	Visitor sessions = 2,833
2004 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	600	Visitor sessions = 1,359
Measuring the Quality of Maryland HMOs and POS Plans: 2004 State Employee Guide—50,000 printed and distributed during open enrollment		

8th Annual Policy Issues Report (2004 Report Series) –
Released January 2005; distribution continues until January 2006

Maryland Commercial HMOs & POS Plans: Policy Issues (900 printed)	609	Visitor Sessions: 608

Distribution of 2005 HMO Publications

Cumulative distribution: Publications released 10/6/05	**10/6/05—10/12/05**	
	Paper	**Web-based**
Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (25,000 printed)	11,509	Visitor sessions = 161
2005 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	120	Visitor sessions = 134

Distribution of Publications
Distribution of the *2004 Consumer Guide* resulted in 23,927 being distributed to consumers through their employers, obtained at public and academic libraries, or by contacting the Commission directly. Additionally, legislators, health plans, other state agencies, labor unions, and associations received the report. Dissemination through libraries provides the majority of report users direct access (13,790); followed by employers, labor unions, and business associations (3,385), legislators (2,725), and HMOs (1,882).

When the *2005 Consumer Guide* was officially released, distribution to public libraries was already under way. By October 12th, over 10,400 copies of the *2005 Consumer Guide* had been

shipped to the public library systems in the state. Another 500 copies were shipped to MIA for distribution at the various public functions that it sponsors and attends. Total copies shipped as of October 12, 2005 were 11,509.

The release of the 2005 edition of the *Comprehensive Report* was delayed slightly this year because of the closing of the DHMH's print shop. As a result, only 120 copies were distributed as of October 12th.

HEALTH RESOURCES

Certificate of Need

Staff issued twenty-eight determinations of non-coverage by Certificate of Need (CON) review during September.

Anne Arundel Medical Center (AAMC) received a determination of non-coverage by CON review for renovations to the Pediatric and Labor and Delivery units, construction of a third C-section OR and a five-bay PACU, the temporary relocation of the pediatric unit, renovations to the acute care pavilion's North Addition, the construction of a Pain Management suite and a Rapid Admissions unit with a capital cost of $11,328,150. The project's capital cost did not require CON review because AAMC committed to not seek a rate increase above the statutory limit of $1.5 million for the project during its period of debt service.

The Stella Maris Inpatient Hospice Unit at Mercy Hospital in Baltimore City received a determination of non-coverage by CON review for the closure of its nineteen dedicated beds.

Determinations of non-coverage by CON review were issued to Heron Point of Chestertown in Kent County for the addition of two beds to the nursing home of its comprehensive care retirement community (CCRC), and to Lorien LifeCenter of Bel Air in Harford County, for the addition of seven comprehensive care facility (CCF) waiver beds.

Fairland Adventist Nursing and Rehab Center (Montgomery County) received a determination of non-coverage by CON for the final resolution of fifteen temporarily delicensed CCF beds acquired from Washington Care Link, in which ten beds have been licensed at the facility, and five beds have been relinquished.

Three facilities received notice that the Commission considers abandoned their right to operate a specified number of beds: Hartley Hall Nursing Home (Worcester County) for eleven temporarily delicensed CCF beds; Clearview Nursing Home (Washington County) for four temporarily delicensed CCF beds; and Dennett Road Manor (Garrett County) for ten temporarily delicensed CCF beds.

The Commission approved Avalon Manor Health Care Center's plan for the relicensure of 42 temporarily delicensed beds (Washington County); and Oakland Nursing and Rehabilitation Center (Garrett County) received authorization to relicense ten temporarily delicensed CCF beds.

The following Genesis nursing facilities received determinations of non-coverage for the temporary delicensure of licensed beds: The Pines (Talbot County) for twelve CCF beds; Corsica Hills Center (Queen Anne's County) for twenty-one CCF beds; Knollwood Center (Anne Arundel County) for twelve CCF beds; Layhill Center for twenty CCF beds, and Woodside

Center for seven CCF beds (both facilities are in Montgomery County); and Loch Raven Center for eight CCF beds, Cromwell Center for nine CCF beds, Catonsville Commons for five CCF beds, and Perring Parkway Center for six CCF beds (each located in Baltimore County).

Baltimore City's Mercy Transitional Care Unit also received a determination of non-coverage for the temporary delicensure of six CCF beds, formerly operated as part of the now closed inpatient hospice unit.

Determinations of non-coverage by CON review were also issued to Ambulatory Surgical Center of White Oak, Maryland to establish an ambulatory surgery center (ASC) with one OR and two non-sterile procedure rooms in Silver Spring, and to Fallsgrove Surgery Center to establish an ASC with one non-sterile procedure room in Rockville (both located in Montgomery County); to Cardinal Ambulatory Surgical Center, LLC to establish an ASC with one OR and two non-sterile procedure rooms in Prince Frederick (Calvert County); to Atlantic Endoscopy Center, LLC to establish an ASC with two non-sterile procedure rooms in Berlin (Worcester County); to Samir F. Shureih Cosmetic Surgery Center to establish an ASC with one OR and one non-sterile procedure room, and to Zion Ambulatory Surgery Center to establish an ASC with one on-sterile procedure room (both in the City of Baltimore); to Carroll Footworks Surgery Center, LLC to establish an ASC with one non-sterile procedure room in Eldersburg (Carroll County); and to Parkway Neurosciences Ambulatory Surgery Center to establish an ASC with one OR and one non-sterile procedure room in Hagerstown (Washington County).

The Certificate of Need Task Force, chaired by Commissioner Robert E. Nicolay, met September 22, 2005 in the Commission's offices at 4160 Patterson Avenue, Conference Room 100, Baltimore, Maryland. The next meeting is scheduled for October 27, 2005.

Acute and Ambulatory Care Services

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project pursuant to the March 2004 approval of the modification to the hospital's Certificate of Need. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs, and financing mechanisms. The hospital's October 2005 update reports no changes to the project cost, the design, or the financing of this project. The final renovations have been completed. The last phase of the project, the addition of a new front to the hospital, is underway, and scheduled for completion in November of this year.

Long Term Care and Mental Health Services

On September 21, 2005, staff of the Long Term Care Division attended the Office of Health Care Quality's Assisted Living Forum. Topics included quality standards (issues of false advertising and operating without a license) as well as a panel discussion on on-site nursing practice. This group continues to discuss and debate the proper level of regulation for different types of assisted living programs.

Staff attended the Office of Health Care Quality's In-Home Services subcommittee on regulations and structural requirements for in-home services. This group is focused on developing a common group of standards that are applicable to all in-home services.

An updated report on Chronic Hospital Occupancy for 2004 was published in the September 30, 2005 issue of the *Maryland Register*. An overall statewide comparison of the data for 2004 shows an increase in patient days but a decrease in occupancy compared to 2003 data.

Specialized Health Care Services

Staff is updating the State Health Plan for Neonatal Intensive Care Services (COMAR 10.24.18) to include amendments related to the most recent standards developed by the Perinatal Clinical Advisory Committee, which is appointed by and advisory to the Secretary of Health and Mental Hygiene. The membership of the committee includes staff from the Commission and the Maryland Institute for Emergency Medical Services Systems.

The State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services (COMAR 10.24.17) provides for the Commission to issue a waiver from its policy requiring that PCI procedures should be performed only in hospitals with on-site cardiac surgical backup. In 1996, the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) Project received a waiver from that requirement for participating hospitals to provide primary angioplasty. Current regulations require any Maryland hospital wishing to begin or continue providing primary PCI services without on-site cardiac surgery to submit an application for a waiver. An applicant must demonstrate the ability to comply with all requirements for primary PCI programs without on-site cardiac surgery as specified in the regulations. Staff is preparing to initiate the transition to the Commission's waiver process in January 2006, beginning with the hospitals that are currently participating in the Atlantic C-PORT Primary PCI Registry.